

STATE OF MAINE  
OFFICE OF SECURITIES  
121 STATE HOUSE STATION  
AUGUSTA, ME 04333

IN RE:

Startup Essentials, LLC

ORDER TO CEASE AND  
DESIST  
07-009-CDO

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Startup Essentials, LLC (“Startup Essentials”) registered as a limited liability company in Texas on May 16, 2006. Its address is 4455 LBJ Freeway, Suite 501, Dallas, Texas 75244. Startup Essentials’ registered agent is Robert Harris, located at the same address.
2. According to its website, Startup Essentials offers a program that “gives you the essential foundations for a successful business venture. Packed with both online and offline training, you'll learn step-by-step exactly what it takes to succeed.”
3. According to its website, Startup Essentials also provides equipment, including a “custom pre-configured laptop computer” for starting a business. According to materials provided to the Office of Securities by Startup Essentials, its training includes guidance in such areas as “niche marketing” and “pay-per-click advertising.”
4. In or around August 2006, a Maine resident contacted Startup Essentials because she was interested in starting a business she could operate from her home.
5. On August 5, 2006, the Maine resident signed an electronic agreement to purchase the Startup Essentials program. Under the contract, she was obligated to pay \$140.00 per month for 48 months.
6. Upon further consideration, the Maine resident decided that she did not want to purchase the program and so she contacted Startup Essentials to terminate the contract. Startup Essentials initially refused her request; however, after the Office

of Securities contacted Startup Essentials, the company agreed to release her from the contract.

7. The seller of a business opportunity is required to register with the administrator prior to selling, offering to sell, advertising or undertaking any other act relating to the promotion of business opportunities in Maine. 32 M.R.S.A. § 4696.
8. At no time has Startup Essentials been registered as a business opportunity in Maine.
9. Pursuant to 32 M.R.S.A. § 4692, the seller of a business opportunity is required to provide all purchasers with a disclosure statement meeting the requirements of 32 M.R.S.A. § 4691 *et seq.*
10. The Maine consumer never received any form of disclosure statement from Startup Essentials.
11. Under 32 M.R.S.A. § 4699(1), it is unlawful for any seller of a business opportunity to fail to comply with any provision of 32 M.R.S.A. § 4691 *et seq.*, including, but not limited to:
  - a. Failing to register pursuant to 32 M.R.S.A. § 4696 and 4697, and
  - b. Failing to provide all purchasers of the business opportunity with the disclosure statement required by 32 M.R.S.A. § 4692.
12. On November 27, 2006, the Securities Administrator issued a notice of intent to issue an “Order to Cease and Desist against Startup Essentials to prohibit further violations of 32 M.R.S.A. § 4691 *et seq.*” (“Notice of Intent”). Pursuant to the Notice of Intent and 32 M.R.S.A. § 4700(5), Startup Essentials had thirty (30) calendar days within which to request a hearing.
13. Subsequent to the Issuance of the Notice of Intent, Startup Essentials and the Maine Office of Securities engaged in discussions about a possible resolution of the matter, but no such resolution was reached.
14. On March 21, 2007, the Securities Administrator issued a “Notice of Deadline to Request Hearing” (“Notice of Deadline”), giving Startup Essentials an additional 30 calendar days within which to request a hearing on the earlier notice of intent. Startup Essentials has not requested a hearing.

15. For the reasons stated above, the Administrator reasonably believes that Startup Essentials has engaged, is engaging or is about to engage in acts or practices constituting violations of 32 M.R.S.A. §4691 *et seq.*
16. Whenever it appears to the Administrator that any person has engaged in or is about to engage in any act or practice constituting a violation of 32 M.R.S.A. § 4691 *et seq.*, the Administrator may issue an order directing the person to cease and desist from continuing the act or practice. 32 M.R.S.A. § 4700(5). If the person does not request a hearing in writing within the specified time, the order becomes final.
17. A notice of intent to issue a cease and desist order having been issued to Startup Essentials and Startup Essentials having failed to request a hearing within the time allowed by law, the entry of a permanent order to cease and desist is warranted.

NOW, THEREFORE, it is ORDERED that Respondent Startup Essentials, LLC CEASE AND DESIST from violating 32 M.R.S.A. c. 69-B, "Regulations of the Sale of Business Opportunities," including the failure to comply with 1) the requirement in 32 M.R.S.A. § 4696 that the seller of a business opportunity "register with the Securities Administrator prior to selling, offering to sell [or] advertising ... business opportunities in this State;" and 2) the requirement in 32 M.R.S.A. § 4692 that sellers of business opportunities "provide all purchasers with a disclosure document meeting the requirements of this chapter" within the time specified in section 4692.

Pursuant to 32 M.R.S.A. § 4700(5), this is a final order, entered after notice and opportunity for hearing. Pursuant to 5 M.R.S.A. § 11001, a person aggrieved by the order may obtain judicial review in the Superior Court in accordance with 5 M.R.S.A. § 11001 *et seq.*

Date: June 8, 2007

s/Stephen L. Diamond  
Stephen L. Diamond  
Acting Securities Administrator

Reviewed by:

Date: June 8, 2007

s/Bonnie E. Russell  
Bonnie E. Russell  
Assistant Securities Administrator

Presented by:

Date: June 8, 2007

s/Jacqueline M. Drouin  
Jacqueline M. Drouin  
Investigator / Examiner